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October 21, 2005

Bradley K. Gillen
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BY MESSENGER

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
P.O. Box 358145
Pittsburgh, Pennsylvania 15251-5145

Re: *Iowa Telecommunications Services, Inc. and Lost Nation - Elwood Telephone Company Application for Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended, for Transfer of Control of the Oxford Junction, Iowa Exchange*

Dear Ms. Dortch:

Please find enclosed an original and six (6) copies of an application for Federal Communications Commission approval to transfer control of the Oxford Junction, Iowa exchange from Iowa Telecommunications Services, Inc. to Lost Nation - Elwood Telephone Company. Also enclosed is a completed FCC Form 159 and a check made payable to the FCC in the amount of \$895.00 for filing fees associated with this application. Please direct any questions with respect to this filing to the undersigned.

Respectfully submitted,

Bradley K. Gillen

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Iowa Telecommunications Services, Inc.)	
)	
and)	
)	
Lost Nation – Elwood Telephone)	WC Docket No. 05-_____
Company)	
)	
Application for Authorization Pursuant to)	
Section 214 of the Communications Act of)	
1934, as Amended, for Transfer of Control)	
of the Oxford Junction, Iowa Exchange)	

**APPLICATION FOR TRANSFER OF CONTROL OF THE
OXFORD JUNCTION, IOWA EXCHANGE**

Iowa Telecommunications Services, Inc. (“Iowa Telecom” or “Transferor”) and Lost Nation – Elwood Telephone Company (“Lost Nation” or “Transferee”) (collectively the “Applicants”), by their undersigned counsel, and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the “Act”), and Section 63.04 of the rules of the Federal Communications Commission (“Commission”), 47 C.F.R. § 63.04, hereby request authority to transfer control of the Oxford Junction, Iowa exchange from Iowa Telecom to Lost Nation. As described in this Application, Iowa Telecom has agreed to sell the Oxford Junction exchange to Lost Nation, which will continue to provide service to Iowa Telecom’s former customers upon completion of the transaction.

Pursuant to Section 63.04(a) of the Commission’s rules, the Applicants provide the following information in support of this transaction:

(1) Applicants' Name, Address and Telephone Number

Transferor: Iowa Telecommunications Services, Inc.
115 S. Second Avenue West
Newton, Iowa 50208

Telephone: (641) 787-2000
Facsimile: (641) 787-2347

Transferee: Lost Nation – Elwood Telephone Company
304 Long Avenue
P.O. Box 97
Lost Nation, Iowa 52254

Telephone: (563) 678-2470
Facsimile: (563) 678-2300

(2) State of Organization

- (a) Iowa Telecom is a corporation organized under the laws of the State of Iowa.
- (b) Lost Nation is a corporation organized under the laws of the State of Iowa.

(3) Contact Information

All correspondence, notices and inquiries regarding this transaction should be addressed to:

Transferor: D. Michael Anderson
Vice President-External Affairs
Iowa Telecommunications Services, Inc.
115 S. Second Avenue West
Newton, IA 50208

Telephone: (641) 787-2357
Facsimile: (641) 787-2347

Transferee: Tommy R. Mullins
Chief Executive Officer
304 Long Avenue
P.O. Box 97
Lost Nation, Iowa 52254

Telephone: (563) 678-2470
Facsimile: (563) 678-2300

Copies of all correspondence, notices, and inquiries should also be addressed to:

David Cosson
Kraskin, Moorman & Cosson, LLC
2120 L St., N.W., Suite 520
Washington, D.C. 20037
Telephone: (202) 296-8890
Facsimile: (202) 296-8893

Counsel for Lost Nation

(4) Ten Percent Direct and Indirect Equity Shareholders

Iowa Telecom:

Iowa Telecommunications Services, Inc. is 12.91% owned by Pine Island Capital Corporation, a corporation with U.S. citizenship located at 2265-B Renaissance Drive, Suite 9, Las Vegas, Nevada 89119. Pine Island Capital Corporation's principal business is investments.

Pine Island Capital Corporation is 100% owned by Iowa Network Services, Inc., a corporation with U.S. citizenship located at 4201 Corporation Drive, West Des Moines, Iowa 50266. Iowa Network Services, Inc.'s principal business is telecommunications. No individual entity owns 10% or more of Iowa Network Services, Inc.

No individual entity other than Pine Island Capital Corporation or Iowa Network Services, Inc. directly or indirectly owns 10% or more of Iowa Telecommunications Services, Inc.

Lost Nation:

All 294 shares of Lost Nation are owned by individuals none of whom own directly or indirectly 10% or more of the equity of Lost Nation.

(5) Certification Pursuant to 47 C.F.R. §§ 1.2001-1.2003

Applicants hereby certify, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

(6) Description of Transaction

The Applicants, both independent incumbent local exchange carriers ("ILECs"), entered into an Asset Purchase Agreement on September 2, 2005 ("Agreement"), in which Iowa Telecom has agreed to transfer its customer base and assets in the Oxford Junction exchange to Lost Nation. Lost Nation currently operates as a competitive local exchange carrier ("CLEC") in the Oxford Junction exchange, serving approximately 95 percent of the residential and business lines therein. Post-consummation, Lost Nation will continue to offer the services currently offered to Iowa Telecom customers in the Oxford Junction exchange, including local telephone service, interLATA and intraLATA long distance service. Moreover, Lost Nation intends to provide acquired customers with dial-up and DSL-based Internet access. Lost Nation will also acquire all of Iowa Telecom's obligations as an ILEC. Lost Nation is prepared to complete the acquisition as soon as certain regulatory approvals can be obtained. After acquisition by Lost Nation, Iowa Telecom would no longer provide local exchange service to the Oxford Junction exchange.

(7) Geographic Description

Iowa Telecom is an ILEC headquartered in Newton, Iowa. Iowa Telecom currently provides local exchange and exchange access service and dial-up and high-speed Internet services to residential and business customers in 294 exchanges widely distributed throughout the State of Iowa, comprising a total of approximately 249,000 access lines. Iowa Telecom's

CLEC affiliate, Iowa Telecom Communications, Inc. provides local exchange and exchange access service and dial-up and high-speed Internet services to residential and business customers in 18 exchanges widely distributed throughout the State of Iowa, comprising a total of approximately 17,400 access lines.

Lost Nation is an independent LEC headquartered in Lost Nation, Iowa. Lost Nation has provided telephone service for more than a century, currently serving 664 residential and business access lines in the Lost Nation, Iowa exchange. Lost Nation has provided service throughout the Oxford Junction exchange with Lost Nation's own facilities since 1997. Lost Nation provides broadband access to all of its customers in the Oxford Junction exchange. Lost Nation presently serves 379 residential and business access lines in the Oxford Junction exchange as a CLEC. Lost Nation's incumbent Lost Nation, Iowa exchange is adjacent to the Oxford Junction exchange. A map of Iowa highlighting the Oxford Junction exchange, and the local service areas of Iowa Telecom and Lost Nation is attached as Exhibit A.

(8) Streamlined Treatment

The Applicants do not request streamlined treatment for this Application.

(9) Other Related Applications Before the Commission

None.

(10) Statement of Imminent Business Failure

Not applicable.

(11) Separately Filed Waiver Requests

The Applicants have filed an expedited study area and NECA carrier common line tariff waiver requests concurrently with this Application. The approval of such waiver requests is not a condition of closing of this sale transaction.

(12) Public Interest Statement

This transaction largely mirrors an acquisition of three rural Iowa Telecom exchanges by Heart of Iowa Communications Cooperative (“Heart of Iowa”) approved May 21, 2004.¹ In *Heart of Iowa*, the acquiring carrier served as an ILEC in a handful of exchanges and had extended its ILEC facilities into Iowa Telecom’s exchanges. At the time of the relevant application, Heart of Iowa had acquired through its CLEC operations an approximate 78 percent of access lines in the exchanges subject to sale. Similarly, in this Application, Lost Nation, a carrier smaller than Heart of Iowa, is seeking to acquire ILEC operations in a service territory in which it has achieved the vast majority of the access line market.

Lost Nation will benefit from new economies of scale and administratively simpler operations as a result of the transaction. Iowa Telecom’s telecommunication services, in turn, would be strengthened through subtraction, permitting Iowa Telecom to focus greater resources on its remaining exchanges throughout the state, better positioning the company to modernize its network.

In addition to the Heart of Iowa acquisition, this transaction is consistent with other transactions approved by the Commission involving proximate service areas.² Moreover, unlike in those instances, this transaction is not a full-fledged combination of competing providers;

¹ *Wireline Competition Bureau Grants Consent for Acquisition of Local Exchange Assets of Iowa Telecom by Heart of Iowa*, 10 FCC Rcd 1967 (Wireline Competition Bur. 2004) (“*Heart of Iowa*”).

² *Joint Applications of Telephone and Data Systems, Inc. and Chorus Communications, Ltd. For Authority to Transfer Control of Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 22, 63, and 90 of the Commission’s Rules*, Memorandum Opinion and Order, 16 FCC Rcd 15293 ¶ 9 (Comm. Car. Bur. 2001) (“*Chorus*”) (“In this case, TDS and Chorus are actual competitors for local exchange and exchange access services in the Madison area.”); *Joint Application of Global Crossing Ltd., and Citizens Communications Company for Authority to Transfer Control of Corporations Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 20, 22, 63, 78, 90, and 101 of the Commission’s Rules*, Memorandum Opinion and Order, 16 FCC Rcd 8507 (Comm. Car. Bur, Int’l Bur., Cable Serv. Bur., Wireless Bur. 2001) (“*Global Crossing/Citizens*”) (adjacent service areas in four states).

rather, this transfer involves a single exchange being transferred between two rural providers, both of which will be stronger and more vibrant as a result of the transfer.³ Accordingly, consistent with precedent, the proposed transaction will serve the public interest, convenience and necessity by strengthening two small providers, and by directly benefiting all impacted consumers.

CONCLUSION

For the foregoing reasons, Iowa Telecom and Lost Nation respectfully request that the Commission promptly grant this Application.

Respectfully Submitted,

**IOWA TELECOMMUNICATIONS
SERVICES, INC.**

**LOST NATION – ELWOOD TELEPHONE
COMPANY**

D. Michael Anderson / JS

D. Michael Anderson
Vice President-External Affairs
115 S. Second Avenue West
Newton, Iowa 50208
(641) 787-2357

David Cosson / JS

David Cosson
Kraskin, Moorman & Cosson, LLC
2120 L St., N.W., Suite 520
Washington, D.C.
(202) 296-8890

*Counsel for Lost Nation – Elwood Telephone
Company*

Dated: October 21, 2005

³ In *Global Crossing/Citizens*, the Commission highlighted the small size of the exchanges in question, which were equal to, if not much larger, than the Exchanges at issue in this Application. See *Global Crossing/Citizens* at 16 FCC Rcd at ¶ 7.



DECLARATION OF TOMMY R. MULLINS

I, Tommy R. Mullins, Chief Executive Officer of Lost Nation – Elwood Telephone Company (“Lost Nation”), declare under penalty of perjury that Lost Nation, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting and/or non-voting) of Lost Nation as specified in Section 1.2003(b) of the Commission’s Rules, is not subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

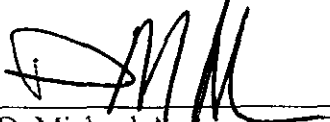
A handwritten signature in cursive script, reading "Tommy R. Mullins", written over a horizontal line.

Tommy R. Mullins
Chief Executive Officer
Lost Nation – Elwood Telephone Company

Executed on: OCT. 17, 2005

DECLARATION OF D. MICHAEL ANDERSON

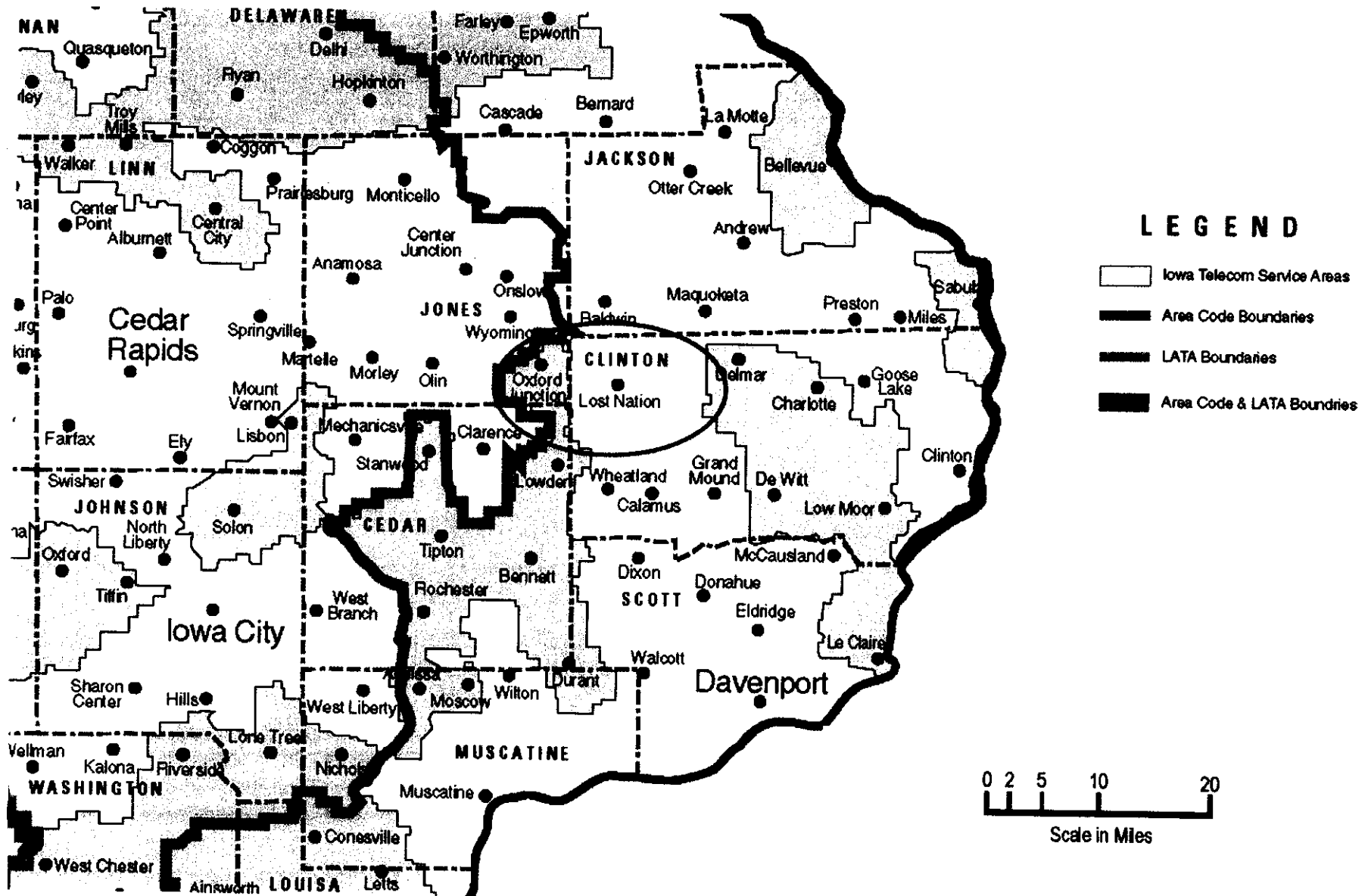
I, D. Michael Anderson, Vice President – External Affairs of Iowa Telecommunications Services, Inc., (“Iowa Telecom”) declare under penalty of perjury that Iowa Telecom, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting and/or non-voting) of Iowa Telecom as specified in Section 1.2003(b) of the Commission’s Rules, is not subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.




D. Michael Anderson
Vice President-External Affairs
Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom

Executed on: 10/20/05

Exhibit A



FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

(1) LOCKBOX # 358145		SPECIAL USE ONLY FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Wiley Rein & Fielding LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) 895.00	
(4) STREET ADDRESS LINE NO. 1 1776 K Street NW			
(5) STREET ADDRESS LINE NO. 2			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20006
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 719-7401		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 002151744		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Iowa Telecommunications Services, Inc.			
(14) STREET ADDRESS LINE NO. 1 P.O. Box 330			
(15) STREET ADDRESS LINE NO. 2			
(16) CITY Grinnel		(17) STATE IA	(18) ZIP CODE 50112
(19) DAYTIME TELEPHONE NUMBER (include area code) (641) 269-7807		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 003911385		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY	
(26A) FEE DUE FOR (PTC) 895.00	(27A) TOTAL FEE 895.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23b) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>Bradley K. Gillen</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information, and belief. SIGNATURE <u></u> DATE <u>October 20, 2005</u>			
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____ ACCOUNT NUMBER _____ EXPIRATION DATE _____ I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described. SIGNATURE _____ DATE _____			

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE (CONTINUATION SHEET)Page No 2 of 2

SPECIAL USE

FCC ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME

Lost Nation - Elwood Telephone Company

(14) STREET ADDRESS LINE NO. 1

304 Long Avenue

(15) STREET ADDRESS LINE NO. 2

P.O. Box 97

(16) CITY

Lost Nation

(17) STATE

IA

(18) ZIP CODE

52254

(19) DAYTIME TELEPHONE NUMBER (include area code)

(563) 678-2470

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN)

0003773827

(22) FCC USE ONLY

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1	(29F) FCC CODE 2	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159-C

FEBRUARY 2003 (REVISED)